

GENERAL INFORMATION, INSTRUCTIONS, AND DEFINITIONS FOR COMMISSION QUESTIONNAIRE

CERTAIN CIRCULAR WELDED CARBON QUALITY LINE PIPE Investigation No. TA-204-10

<u>Further information</u>.--If you have any questions concerning the enclosed questionnaire or other matters related to this investigation, you may contact the following members of the Commission's staff (Fax 202-205-2217):

Karen Taylor, investigator (202-708-4101; E-mail ktaylor@USITC.GOV) regarding general questions and trade and related information;

David Boyland, auditor (202-708-4725; E-mail dboyland@USITC.GOV) regarding financial information; and

Catherine DeFilippo, economist (202-205-3253; E-mail cdefilippo@USITC.GOV) regarding pricing.

GENERAL INFORMATION

Background.—Following receipt of a report from the Commission in December 1999 under section 202 of the Trade Act of 1974 (19 U.S.C. § 2252) (the Act) containing an affirmative determination and remedy recommendation, the President, effective March 1, 2000, pursuant to section 203 of the Act (19 U.S.C. § 2253), imposed import relief in the form of a tariff on imports of certain circular welded carbon quality line pipe for a period of 3 years and 1 day. Section 204(d) of the Act requires that the Commission, after termination of any action taken under section 203, conduct an investigation to "evaluate the effectiveness of the actions in facilitating positive adjustment by the domestic industry to import competition, consistent with the reasons set out by the President in the report submitted to the Congress under section 203 (b)." This evaluation must be completed no later than 180 days after termination of the relief, which is in this case is August 28, 2003.

Additional questionnaires will be supplied promptly upon request, or photocopies of the enclosed questionnaire may be used. Address all correspondence to the United States International Trade Commission, Washington, DC 20436. Hearing-impaired individuals can obtain information regarding this investigation via the Commission's TDD terminal (202-205-1810).

<u>Due date of questionnaire</u>.--Return the completed questionnaire to the United States International Trade Commission by no later than May 2, 2003. Although the enclosed postpaid envelope may be used to return the completed questionnaire, use of an overnight mail service may be necessary to ensure that your response actually reaches the Commission by May 2, 2003. If you do not use the enclosed envelope, please make sure the completed questionnaire is sent to the attention of Karen Taylor. Return the original completed questionnaire, but please keep a copy for your records so that you can refer to it if the Commission staff contacts you with any questions during the course of the investigation.

<u>Confidentiality</u>.—The commercial and financial data furnished in response to this questionnaire that reveal the individual operations of your firm will be treated as confidential by the Commission to the extent that such data are not otherwise available to the public and will not be disclosed except as may be required by law. Such confidential information will not be published in a manner that will reveal the individual operations of your firm; however, nonnumerical characterizations of numerical business proprietary information (such as discussion of trends) will be treated as confidential business information only at the request of the submitter for good cause shown.

GENERAL INFORMATION--Continued

In addition, the confidential business information that you submit may be included in a confidential version of the report that the Commission transmits to the President, should the Commission transmit a confidential version. Any such confidential business information will be deleted from the version of the report that the Commission releases to the public.

In addition, by signing the certification on the cover page of the questionnaire, the signing official authorizes the Commission to use in this investigation information submitted to the Commission in response to Commission questionnaires in investigations Nos. TA-201-70 and TA-204-5 in this investigation and acknowledges that such information may be used by the Commission in this investigation in the same manner as information received in response to this questionnaire.

<u>Verification</u>.--The information submitted in the enclosed questionnaire is subject to audit and verification by the Commission. To facilitate possible verification of data, please keep all your workpapers and supporting documents used in the preparation of the questionnaire response(s).

INSTRUCTIONS

<u>Answer all questions</u>.--Do not leave any question or section blank unless a questionnaire expressly directs you to skip over certain questions or sections. If the answer to any question is "none," write "none." If information is not readily available from your records in exactly the form requested, furnish carefully prepared estimates--designated as such by the letter "E"--and explain the basis of your estimates. Answers to questions and any necessary comments or explanations should be supplied in the space provided or on separate sheets attached to the appropriate page of the questionnaire.

<u>Consolidate all U.S. establishments</u>.--Report the requested data for your establishment(s) located in the United States. Firms operating more than one establishment should combine the data for all establishments into a single report.

DEFINITIONS

Certain circular welded carbon quality line pipe.—For purposes of this investigation, certain circular welded carbon quality line pipe is defined as including line pipe of circular cross section, of a kind used in oil and gas pipelines, whether or not stenciled, and not more than 16 inches (406.4 mm) in outside diameter, provided for in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS). This investigation includes all such line pipe regardless of wall thickness, surface finish (black, or coated with any coating compatible with line pipe, end finish (plain end, beveled ends for welding, threaded ends, or threaded and coupled, as well as any other special end finishes), and stenciling. Such line pipe is normally produced to specifications published by the API, including API A-25, 5LA, 5LB, and X grades, from 42 to 80 and above, and/or other customer specifications capable of line pipe usage. The investigation covers all such pipe whether or not stenciled, and includes all multistenciled pipe with an API line pipe stencil. Specifically excluded from the scope are arctic grade line pipe, and all products, proprietary or otherwise, based on an alloy API specification.

<u>Carbon quality line pipe</u>.—Products in which (1) iron predominates, by weight, over each of the other contained elements, (2) the carbon content is 2 percent or less, by weight, and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 1.80 percent of manganese, or
- 2.25 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium

Arctic grade line pipe.—Welded line pipe that (1) has an outer diameter of 4.5 inches (114.3 mm) or more and a wall thickness equal to or less than 0.75 inch (19.05 mm); (2) when subjected to a Charpy V-notch test performed at minus 50 degrees Fahrenheit (45.6 degrees Celsius) or below applied to three specimens taken from the weld area, has a ft-lbs ratio of no less than 17 ft-lbs (a joules rating of no less than 23.05 joules) for each sample, with an average for all three at no less than 19 ft-lbs (25.76 joules); (3) using at least three samples, has a minimum average shear area of 85 percent in the base metal and 50 percent in the weld; and (4) when subjected to a hydrogen induced cracking test to be performed as per National Association of Corrosion Engineers (NACE) TM0284 test with solution A, has a crack length ratio that does not exceed 15 percent, a crack sensibility ratio that does not exceed 2 percent, and a crack thickness ratio that does not exceed 5 percent.

DEFINITIONS--Continued

<u>Firm.</u>--An individual proprietorship, partnership, joint venture, association, corporation (including any subsidiary corporation), business trust, cooperative, trustee in bankruptcy, or receiver under decree of any court.

Related firm.--A firm that your firm solely or jointly owned, managed, or otherwise controlled; a firm that solely or jointly owned, managed, or otherwise controlled your firm; and/or a firm that was solely or jointly owned, managed, or otherwise controlled by a firm that also solely or jointly owned, managed, or otherwise controlled your firm.

Establishment.--Each facility of a firm in the United States involved in the production, importation, and/or purchase of certain circular welded carbon quality line pipe (as defined above), including auxiliary facilities operated in conjunction with (whether or not physically separate from) such facilities.

<u>United States</u>.--For purposes of this investigation, the 50 States, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia.

Shipments.--Shipments of products produced in or imported by your U.S. establishment(s). Include shipments to the contracting firm of product produced by your firm under a toll agreement.

Shipment quantities.--Quantities reported should be net of returns.

Shipment values.--Values reported should be net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods), f.o.b. your U.S. producing establishment(s). The value of domestic shipments to the contracting firm under a toll agreement is the conversion fee (including profit).

Types of shipments:

U.S. shipments.—Commercial shipments and company transfers within the United States.

<u>Commercial shipments</u>.--Shipments, other than company transfers, within the United States.

Transfers to related firms.--Shipments made to related domestic firms, including product consumed internally by your firm.

Export shipments.--Shipments to destinations outside the United States, including shipments to related firms.

DEFINITIONS--Continued

Inventories.—Finished good inventory, not raw materials or work-in-progress.

<u>Average production capability</u>.--The level of production that your establishment(s) could reasonably have expected to attain during the specified periods. Assume normal operating conditions (i.e., using equipment and machinery in place and ready to operate; normal operating levels (hours per week/weeks per year) and time for downtime, maintenance, repair, and cleanup; and a typical or representative product mix).

<u>Toll agreement</u>.--Agreement between two firms whereby the first firm furnishes the raw materials and the second firm uses the raw materials to produce a product that it then returns to the first firm with a charge for processing costs, overhead, etc.

<u>Production</u>.--All production in your U.S. establishment(s), including production consumed internally within your firm and production for another firm under a toll agreement.

<u>PRWs</u>.--Production and related workers, including working supervisors and all nonsupervisory workers (including group leaders and trainees) engaged in fabricating, processing, assembling, inspecting, receiving, storage, handling, packing, warehousing, shipping, trucking, hauling, maintenance, repair, janitorial and guard services, product development, auxiliary production for plant's own use (e.g., power plant), recordkeeping, and other services closely associated with the above production operations.

<u>Average number employed</u>.--Add the number of employees, both full-time and part-time, for the 12 pay periods ending closest to the 15th of the month and divide that total by 12. For the January-February periods, calculate similarly and divide by 2.

Hours worked.--Include time paid for sick leave, holidays, and vacation time. Include overtime hours actually worked; do not convert overtime pay to its equivalent in straight-time hours.

<u>Wages paid</u>.--Total wages paid before deductions of any kind (e.g., withholding taxes, old-age and unemployment insurance, group insurance, union dues, bonds, etc.). Include wages paid directly by your firm for overtime, holidays, vacations, and sick leave.

Fiscal year.--The 12-month period between settlement of your firm's financial accounts.